

EX PARTE OR LATE FILED  
KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

(202) 955-9600

ORIGINAL

ORIGINAL

NEW YORK, NY  
LOS ANGELES, CA  
CHICAGO, IL  
STAMFORD, CT  
PARSIPPANY, NJ

BRUSSELS, BELGIUM

HONG KONG

AFFILIATE OFFICES  
BANGKOK, THAILAND  
JAKARTA, INDONESIA  
MANILA, THE PHILIPPINES  
MUMBAI, INDIA

FACSIMILE

(202) 955-9792

www.kelleydrye.com

January 31, 2002

ROBERT J. AAMOTH

DIRECT LINE (202) 955-9676

E-MAIL: raamoth@kelleydrye.com

RECEIVED

JAN 31 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Via Hand Delivery

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

*Re: Ex Parte Presentation in IB Docket No. 96-261/*

Dear Ms. Salas:

On Tuesday and Wednesday of this week, Atlantic Tele-Network, Inc. ("ATN") held three meetings with FCC personnel regarding ATN's petition for a waiver of the benchmark settlement rate on the U.S.-Guyana route. The International Bureau denied the petition in an Order released on November 16, 2001. ATN was represented at these meetings by Mr. Cornelius B. Prior, Jr. and the undersigned attorney. The FCC personnel who attended these meetings were Chairman Michael Powell, Commissioner Kathleen Abernathy, Commissioner Michael Copps, Donald Abelson, Paul Margie, and Martha Johnston. In addition, the Honorable Donna Christian-Christensen and Mr. Brian Modeste attended the meeting with Chairman Powell.

During these meetings, ATN emphasized that it is the largest U.S. investor in Guyana, and that its petition does not seek elimination of the benchmark rate, but rather a modest five-year extension of the transition period during which time the settlement rate on the U.S.-Guyana route would be proportionately phased down to the benchmark level.

No. of Copies rec'd  
List ABCDE

045

Ms. Magalie Roman Salas  
January 31, 2002  
Page 2

ATN noted that grant of the petition would facilitate negotiations with the Government of Guyana regarding the establishment of an open-entry telecommunications sector in Guyana. Meaningful rate rebalancing is a key factor in the success of those negotiations. Unfortunately, because the Government of Guyana has put off the necessary rate rebalancing for many years, significant rate increases will be needed to bring rates to compensatory and economically rational levels. Granting the waiver request will enable the parties to establish a short transition to fully compensatory rate levels, thereby increasing the likelihood that the negotiations on establishing an open-entry telecommunications sector will be successful.

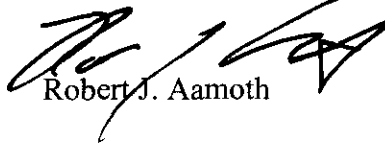
Further, ATN indicated that the waiver is necessary because the loss of revenues it will suffer upon full implementation of the benchmark rate as of January 1, 2002 will severely harm infrastructure development and universal service in Guyana. The parties discussed whether granting ATN's petition would establish a precedent that many other foreign carriers could use to receive similar waivers. ATN pointed to the attached chart, also submitted with its reply comments, as evidence that ATN's past history of investment in Guyana is one that few other countries in the low-income category can come close to satisfying. As a result, the FCC need not grant the same waiver to all other low-income countries were it to grant ATN's petition. ATN distributed at one meeting a copy of its publicly-available annual report.

ATN emphasized that grant of the waiver would utilize an existing commercial mechanism – the settlement rate freely negotiated between U.S. and Guyana carriers – to promote infrastructure development in poor countries. ATN's petition does not request the establishment of new mechanisms or any other change to the status quo on the route, except that the settlement rate would be phased down to the benchmark level in annual proportionate increments over a five-year period. ATN discussed and/or distributed the attached newspaper article during the meetings.

Ms. Magalie Roman Salas  
January 31, 2002  
Page 3

ATN expressed the view that the Commission's authority to grant a waiver of the benchmark rate is broader than the two instances mentioned in the *Benchmark Order*, 12 FCC Rcd 19806, ¶ 174 (1997). Rather, the Commission has broad statutory authority to grant waivers for good cause shown, and the impact of the benchmark on Guyana is of the same magnitude as the Commission indicated could justify a waiver in its 1997 order. As a result, ATN expressed its view that the decision of the International Bureau last month denying the waiver petition was based upon an unduly narrow view of the Commission's waiver authority.

Respectfully submitted,



Robert J. Aamoth

cc: Hon. Donna Christian-Christensen  
Hon. Michael Powell  
Hon. Kathleen Abernathy  
Hon. Michael Copps  
Mr. Donald Abelson  
Mr. Paul Margie  
Ms. Martha Johnston  
Mr. Brian Modeste

## ATTACHMENT A

Country	Teledensity, 2000 (1)	GNP per capita, 2000 (2)	Cost of Monthly Service, 1999 (US\$) (3)	Investment Overachievement Factor (4)
Kyrgyz Republic	8.00	270	0.57	519.82
<b>Guyana</b>	<b>8.36</b>	<b>770</b>	<b>1.65</b>	<b>65.80</b>
Mongolia	4.97	390	2.28	55.89
Laos	0.75	290	0.68	38.03
Zimbabwe	2.07	480	1.23	35.06
China	11.12	840	3.78	35.02
Armenia	15.53	520	10.42	28.66
Yemen	2.27	380	2.20	27.15
Gambia	2.30	330	2.62	26.60
Egypt	8.64	1,490	2.49	23.29
Nepal	1.16	220	2.84	18.57
Azerbaijan	10.36	610	9.45	17.97
Albania	3.65	1,100	1.99	16.67
Burundi	0.29	110	1.80	14.65
Ethiopia	0.37	100	2.60	14.23
Eritrea	0.79	170	3.76	12.36
Ghana	1.17	350	2.76	12.11
Sudan	1.24	320	3.54	10.95
India	3.20	460	6.49	10.72
Sierra Leone	0.39	130	2.94	10.20
Sri Lanka	4.06	870	5.20	8.97
Honduras	4.61	850	6.82	7.95
Bhutan	1.80	550	4.14	7.91
Pakistan	2.22	470	5.98	7.90
Vietnam	3.19	390	10.72	7.63
Malawi	0.44	170	4.17	6.21
Zambia	0.93	300	5.00	6.20
Nicaragua	3.04	420	12.73	5.69
Tajikistan	3.53	170	37.36	5.56
Kenya	1.01	360	6.46	4.34
Haiti	0.89	510	4.13	4.23
Senegal	2.17	500	11.37	3.82
Lesotho	1.10	540	5.61	3.63
Togo	0.92	300	8.78	3.49
Guinea-Bissau	0.70	180	12.39	3.14
Cote d'Ivoire	1.81	660	11.19	2.45
Mozambique	0.44	210	9.12	2.30
Burkina Faso	0.45	230	9.31	2.10
Guinea	0.79	450	8.88	1.98
Bangladesh	0.34	380	5.13	1.74
Mauritania	0.72	370	11.64	1.67
Benin	0.66	380	10.65	1.63
Cameroon	0.64	570	7.24	1.55
United States	69.97	34,260	19.87	1.03
Madagascar	0.36	260	16.24	0.85
Mali	0.25	240	12.23	0.85
Uganda	0.26	310	16.11	0.52
Chad	0.13	200	17.37	0.37
Tanzania	0.49	280	59.57	0.29
Central African Republic	0.26	290	39.10	0.23

(1) Source: Basic Indicators, International Telecommunication Union (July 6, 2001) available at  
[www.itu.int/ti/industryoverview/at\\_glance/basic00.pdf](http://www.itu.int/ti/industryoverview/at_glance/basic00.pdf)

(2) Source: 2001 World Development Indicators database, World Bank (July 16, 2001) available at  
[www.worldbank.org/data/databytopic/GNPPC.pdf](http://www.worldbank.org/data/databytopic/GNPPC.pdf)

(3) Source: Yearbook of Statistics, Telecommunications Services 1990-1999, International Telecommunication Union (February 2001)  
 Based on residential monthly subscription cost plus cost for 240 minutes, converted to US\$

(4) The Investment Overachievement Factor is derived from the equation:  $((\text{Teledensity}/(\text{GNP per capita} \times \text{Cost of Monthly Service})) \times 10,000$   
 DC01/AAMOR/161503.1

# U.S. Rejects Bid to Double Foreign Aid To Poor Lands

By JOSEPH KAHN

WASHINGTON, Jan. 28 — The Bush administration has rejected an international proposal to double foreign aid in the wake of the war in Afghanistan, contending that poor countries should make better use of the assistance they now receive, diplomats said today.

The United States insisted at a weekend meeting in New York on global development that specific targets for increasing foreign aid be deleted from a declaration on fighting poverty. At one point during the heated negotiations the United States threatened to cancel plans to have President Bush attend a conference in March, scheduled for Monterrey, Mexico, about how to help poor countries, diplomats said.

The declaration released today, intended to be the main communiqué for the Monterrey meeting, includes no mention of a campaign over several months by European nations, the United Nations and the World Bank to persuade wealthy nations to increase their aid by \$50 billion annually, double the current level. Instead, it calls on rich countries to make "concerted efforts" to increase aid.

The veto of the initiative reflects concerns by the Bush administration that in recent decades, tens of billions of dollars in aid for developing countries had produced disappointing results.

Poor nations should do more to adopt sound economic policies and reduce corruption, while donors should focus on more effective aid projects before committing to increased aid, administration officials contend.

Though administration officials declined to discuss their negotiating position, they said Mr. Bush has focused for months on improving, rather than increasing, foreign aid. "We were pleased with the way the communiqué turned out," one White House official said today. The official added that an announcement of Mr. Bush's plans to attend the Monterrey meeting could come on Tuesday.

The American foreign aid budget, at about \$10 billion, has not been increased for a decade. As a percentage of the overall economy it is at its lowest level since World War II. But while the administration has committed itself to big increases in defense spending to fight terrorism and protect Americans, it has so far rejected proposals to increase aid.

The United States pledged last week to devote \$300 million to help rebuild Afghanistan over the next five years, and has committed hundreds of millions of dollars to reward Pakistan for its help in battling terrorism. But some development experts say they fear that those funds will reduce American contributions to other poverty programs, like those to fight AIDS and enroll children in schools.

The recession, the tax cut and proposed infusion of money to buy weapons also has left the administration little fiscal leeway to take a leadership role in development.

Kofi Annan, the United Nations secretary general, and Gordon Brown, Britain's chancellor of the exchequer, had sought to persuade wealthy nations that the Sept. 11 terrorist attacks highlighted an urgent need to reverse a general decline in foreign aid. Mr. Brown called for a second Marshall Plan, modeled on American assistance to Europe after World War II, to create "a new relationship between developed and developing countries."

The Monterrey meeting was called to find new ways of helping poor countries reduce poverty, cut infant mortality and expand access to education. Some development experts also hoped that wealthy nations would pledge to adopt a longstanding United Nations goal of transferring 0.7 percent of their total economic output to poor countries.

Only a handful of countries, including Denmark, the Netherlands, Norway and Sweden, spend that much on aid, though most European nations have promised to do so. The United States would have to devote seven times as much money to foreign aid to reach the target, but it rejected Mr. Brown's compromise that aid be doubled as an interim step.

Still, some participants hailed the declaration to be adopted in Monterrey as a breakthrough. They said the 14-page document commits poor nations to overhaul the way they manage their economies so they can attract more private investment and use aid more effectively. It also elicits a promise from wealthy nations to open markets wider to exports from developing countries like basic manufactured goods and farm products.

Shamshad Ahmad, a Pakistani diplomat who served as co-chairman of the preparatory conference, said today that he considered it a significant achievement that rich and poor nations and leading lending agencies had agreed on important principles for fighting poverty.

"I don't think it is important for us now to discuss what position was taken by which country. What is important is that we have a consensus document," Mr. Ahmad said.